

SENIOR SERVICES

Listed below are several State of Illinois agencies which offer free services to SERS retirees, their survivors, and disability benefit recipients. If you have questions about any of these agencies, contact our office at 217-785-6979.

Illinois Attorney General's Office

Offers various consumer-oriented information and assistance, specializing in avoidance of consumer fraud.

800-243-5377

FAX: 217-785-2551

Web: www.ag.state.il.us

TTY: 800-964-3013

Illinois Department of Insurance Senior Health Insurance Program

Offers a statewide network of volunteers in hospitals, senior centers and other locations. They assist seniors in claim problems, Medicare and insurance coverage information, and guidance in shopping for long-term care insurance.

800-548-9034

FAX: 217-782-4105

Web: www.state.il.us/ins

TTY: 217-524-4872

Office of the Secretary of State

Offers various senior services: Rules of the Road Refresher Course, Defensive Driving Course, Military & Veteran Plates, Speakers, Displays & Presentations, Disability Awareness, Mobile Photo ID Services.

PHONE: 800-252-2904

FAX: 217-782-8629

Web: www.sos.state.il.us

TTY: 800-252-2904

LONG-TERM CARE INSURANCE: *Is It For You?*

In the last decade, interest has risen over the issue of long-term care (LTC). The longer you live, the greater your risk of needing long-term health care—either at home or in a nursing home.

The type of care rendered can be skilled care (intravenous therapy, etc.), or custodial care (daily assistance with activities like feeding, bathing, walking, etc.). Intermediate care also exists.

One of the key issues of LTC is that many health insurance companies cover skilled care, but almost none of them cover custodial care—even though many people find this is the type of care they need and prefer.

Because LTC is expensive, many people have chosen to shift the financial burden to a private LTC insurance company to keep their assets from being wiped out.

LTC costs vary widely because of a wide range of variables, including the applicant's age, and the amount of coverage needed.

Some plans cost as little as \$500 per year, while others can reach \$5,000 per year. Coverage provides from \$30 per day, to more than \$150 per day.

LTC insurance can also be adjusted

upward for inflation, but whatever the cost, long-term health insurance provides you with custodial care coverage.

If you have a family history of medical problems, it's possible that you may end up in a nursing home sometime in your lifetime for more than a short, rehabilitative stay.

Current statistics indicate a 33% chance of the average retiree needing LTC sometime in their lifetime. Although statistics can be used to prove anything, if you have a known incidence of Alzheimers disease or other debilitating illness in your family, your chance of needing LTC coverage is higher.

The LTC issue is covered in our free, one-day workshop called *Myths and Realities of Retirement*. This workshop also reviews other information helpful to you as a retired state employee.

If you are interested in attending this workshop, fill out the form on the back of this newsletter, or call us at 217-785-6977.

The Illinois Department of Insurance also offers a free booklet, *Shopper's Guide to LTC Insurance*. Call 1-800-548-9034 for a free copy.

No legislation affecting SERS members or annuitants passed during the fall veto session. We will inform you of any legislation that passes during the spring session in future editions of *The Informer*.

Visit the SRS home page on the World Wide Web:

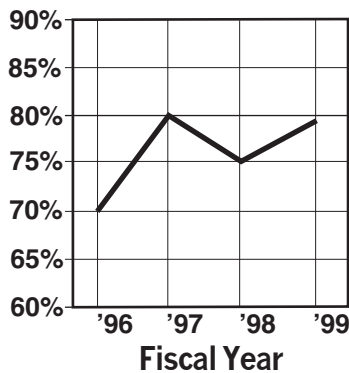
<http://www.state.il.us/srs>

Our e-mail address is:

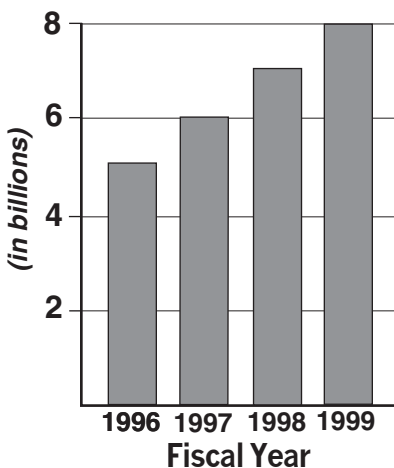
ser@mail.state.il.us

The Tale of the (Financial) Tape

Funded Ratio



Net Assets



Another fiscal year (FY99) has come and gone, and now is a good time to take a step back, review what has happened, and make plans for the upcoming year.

This past fiscal year was highlighted by a roller coaster ride in the financial markets. In spite of the rocky start for most stock markets (U. S. and foreign) in FY99, an explosive rally at the end of the fiscal year resulted in double digit returns.

Stocks and bonds, which make up about 90% of SERS's investments, moved up, then down, then back up again. The end result was a very good year, but not quite as spectacular as the investment returns of FY98.

The Illinois State Board of Investment (ISBI) manages the funds of SERS, along with those of the Judges' and General Assembly Retirement Systems in the ISBI Commingled Fund. The ISBI Fund earned a total rate of return of 12.9%, well above the long-term objective of exceeding the inflation rate by 4.5%, and at least equaling the 8.5% actuarial interest assumption.

SERS investments are used to pay current and future benefits, refunds, and the administrative expenses of SERS. These investments provide the reserves that are used to determine the financial strength or weakness of the retirement system.

Each fiscal year, the SERS actuarial consultant compares the ratio of reserves to total liability. This ratio helps SERS's management determine how the funded status of SERS is progressing.

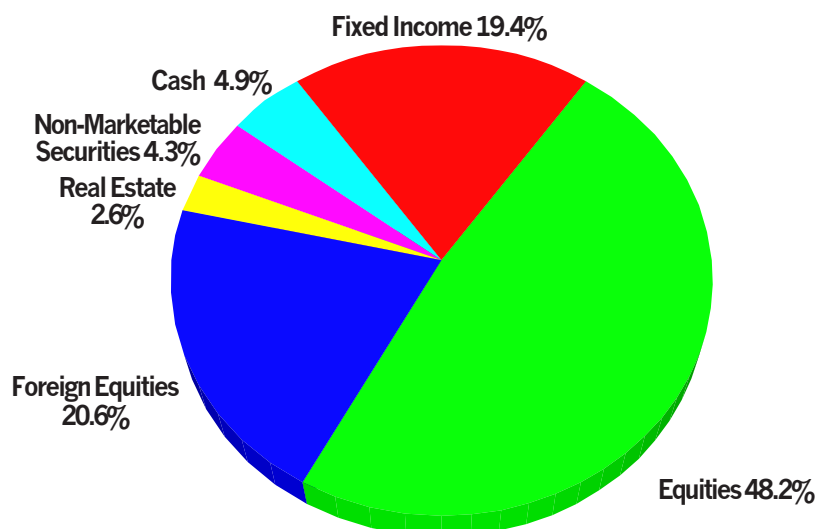
As of June 30, 1999, SERS had a funding ratio of 79.9%, a 4.3% increase from the FY98 ratio. This increase is primarily the result of excellent investment performance and increased employer retirement contributions, offset somewhat by higher benefit payments to members and their beneficiaries.

The State of Illinois has increased its employer retirement contribution in accordance with funding legislation passed several years ago. The increase, from \$200.8 million in FY98 to \$315.5 in FY99, has certainly helped increase the funding ratio described above. Employee contributions have also increased as a result of rising salaries.

The robust marketplace also helped increase the funded ratio, along with the continued increase in contribution income (both employer and employee). SERS begins fiscal year 2000 with an improving financial condition and a solid, experienced management team and staff.

SERS will continue to focus its attention on providing the best service possible to our members in an efficient and cost-effective manner. We look forward to the challenges of the next millennium.

ISBI Commingled Fund Investment By Category (as of June 30 1999)



Statement of Plan Net Assets June 30, 1999 and 1998

	1999	1998
Assets		
Cash	\$ 100,578,832	\$ 79,514,954
Receivables	25,972,613	17,870,937
Investments (at fair value)	7,861,470,281	6,969,135,972
Equipment (net of acc. depr.)	3,500,719	3,622,304
Total Assets	<u>\$7,991,522,445</u>	<u>\$7,070,144,167</u>
Liabilities		
Total Liabilities	\$ 5,089,476	\$ 5,649,337
Net Assets Held in Trust for Pension Benefits	<u>\$7,986,432,969</u>	<u>\$7,064,494,830</u>

Statement Changes in Plan Net Assets June 30, 1999 and 1998

	1999	1998
Additions		
Contributions:		
Participants	\$ 159,580,234	\$ 155,898,112
Employer	315,525,007	200,741,736
Total Contributions Revenue	<u>\$ 475,105,241</u>	<u>\$ 356,639,848</u>
Investment Income	<u>\$ 908,121,794</u>	<u>\$1,080,235,182</u>
Total Additions	<u>\$1,383,227,035</u>	<u>\$1,436,875,030</u>
Deductions		
Benefits	\$ 440,842,421	\$ 399,440,085
Refunds (including transfers)	14,012,524	14,812,967
Administrative	<u>6,433,951</u>	<u>6,154,373</u>
Total Deductions	<u>\$ 461,288,896</u>	<u>\$ 420,407,425</u>
Net Increase	\$ 921,938,139	\$1,016,467,605
Net Assets Held in Trust for Pension Benefits:		
Beginning of Year	<u>7,064,494,830</u>	<u>6,048,027,225</u>
End of Year	<u>\$7,986,432,969</u>	<u>\$7,064,494,830</u>

The State of Illinois is offering SERS members and retirees the chance to earn extra cash by submitting money-saving ideas to the State Suggestion Award Board. Your ideas could be worth anywhere from \$50 to \$5,000, for suggestions that save the State time, money or materials.

The amount of the award is determined by the amount saved. For specific suggestion guidelines and/or to obtain submission forms, call 217-782-2559.

Volunteers Needed

The Tax Counseling Project is seeking volunteers to become tax preparers for low-income families in Illinois. No prior tax experience is needed, since you will receive free training by professional tax preparers.

Volunteers must attend two four-hour training sessions in January. They are then asked to make a once a week commitment at a community site from late January through April 15, 2000.

The Project operates out of 21 sites located throughout the state: Rockford, Waukegan, Harvey, Joliet, Champaign, Decatur, Peoria, Springfield, East St. Louis, Granite City, and 11 locations in Chicago.

If you are interested in volunteering, contact Teresia Currie at 312-341-1666, fax: 312-341-9519, e-mail: hn0441@handsnet.org, or mail to: Center for Law and Human Services, 20 E. Jackson, Suite 400, Chicago, IL 60604-2205.

A Special Workshop for Retirees

If you have not already participated in a ***Myths and Realities of Retirement*** workshop, enroll in 2000.

MRR is offered by the State Retirement Systems to retirees, survivors, disability benefit recipients and their guests. This free one-day workshop lasts from 9 a.m. until 3:30 p.m.

Topics include financial and estate planning, health, Social Security and group insurance benefits.

If you would like to attend an MRR workshop, complete the enrollment application below and return it to SERS. Information about the exact workshop location will be mailed to you.

Circle the 2000 MRR workshop that you would like to attend.

Jan. 6	Springfield	Jun. 21	Galesburg
Jan. 26	Glen Ellyn	Jul. 12	Bloomington
Feb. 9	Effingham	Jul. 26	Springfield
Mar. 1	Marion	Aug. 2	Carbondale
Mar. 8	Chicago	Aug. 16	Fairview Heights
Mar. 15	Fairview Heights	Aug. 23	DeKalb
Mar. 22	Schaumburg	Sep. 6	Utica
Apr. 5	Peoria	Sep. 13	Mt. Vernon
Apr. 12	Champaign	Sep. 27	Matteson
Apr. 19	Joliet	Oct. 11	Springfield
Apr. 26	Chicago	Oct. 25	Chicago
Jun. 8	Springfield	Nov. 8	Rock Falls
Jun. 14	Rockford		

Name _____

Social Security Number _____

Are You Bringing a Guest? _____

Return the form below to:

State Retirement Systems
Field Services Division
2101 S. Veterans Parkway
P. O. Box 19255
Springfield, IL 62794-9255

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Chicago IL 60601
312/814-5853

The Executive Secretary is **Michael L. Mory**. The Board of Trustees consists of: Chairman **Mark Gallagher**; **Stephen Schnorf**, Director, Bureau of the Budget; **Loren Iglarsh**, representing the State Comptroller; **Sharmin Doering**, state employee appointed by the Governor; **Caryl Wadley-Foy**, elected state employee; **Doris M. Clark**, elected annuitant; and **Joseph T. Pisano**, retiree appointed by the Governor.

